

PATENT
Application 10/563,187
Attorney Docket 1043-005

REMARKS

Applicant respectfully thanks the Examiner for the consideration provided to this application, and respectfully requests reconsideration of this application.

Each of claims 1-5, 10-12, 14-28, and 32-33 has been amended for at least one reason unrelated to patentability, including at least one of: to explicitly present one or more elements, limitations, phrases, terms and/or words implicit in the claim as originally written when viewed in light of the specification, thereby not narrowing the scope of the claim; to detect infringement more easily; to enlarge the scope of infringement; to cover different kinds of infringement (direct, indirect, contributory, induced, and/or importation, etc.); to expedite the issuance of a claim of particular current licensing interest; to target the claim to a party currently interested in licensing certain embodiments; to enlarge the royalty base of the claim; to cover a particular product or person in the marketplace; and/or to target the claim to a particular industry.

Claims 1-33 are now pending in this application. Each of claims 1, 14, and 15 is in independent form.

I. The Obviousness Rejections

Each of claims 1-33 was rejected under 35 U.S.C. 103(a) as being obvious, and thus unpatentable, over various combinations of U.S. Patent 5,898,397 ("Murray"), U.S. Patent 5,748,101 ("Christensen"), U.S. Patent Application Publication 2002/0178063 ("Gravelle"), U.S. Patent 5,805,082 ("Hassett"), and/or U.S. Patent Application Publication 2003/0020634 ("Banerjee"). Each of these rejections is respectfully traversed as moot in light of the present amendments.

A. Legal Standards

1. Overview of *Prima Facie* Criteria for an Obviousness Rejection

The Patent Act, namely, 35 U.S.C. 103, forbids issuance of a patent when "the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art."

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Relatively recently, in *KSR International Co. v. Teleflex, Inc.*, 550 U.S. 398 (2007), the Supreme Court interpreted this law while highlighting the typical invention process. “**Inventions** usually rely upon building blocks long since uncovered, and claimed discoveries **almost necessarily will be combinations** of what, in some sense, is already known” (emphasis added). Yet, to properly apply §103, the Court recognized the need to filter, via obviousness analyses, true inventions from mere ordinary technological advances. “Granting patent protection to advances that **would occur in the ordinary course** without real innovation retards progress and may, in the case of patents combining previously known elements, deprive prior inventions of their value or utility” (emphasis added).

Obviousness is a legal question based on underlying factual findings. *In re Gartside*, 203 F.3d 1305, 1316 (Fed. Cir. 2000). In *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), the Supreme Court established factors regarding the factual inquiry required to establish obviousness. The factors include:

1. determining the scope and contents of the prior art;
2. ascertaining differences between the prior art and the claims at issue;
3. resolving the level of ordinary skill in the pertinent art; and
4. considering objective evidence indicating obviousness or nonobviousness.

Thus, factual determinations include, *inter alia*, the scope and content of the prior art, the level of skill in the art at the time of the invention, the objective evidence of nonobviousness, the presence or absence of a reason to combine, and whether a reference constitutes analogous prior art. See *In re Biggio*, 381 F.3d 1320, 1324 (Fed. Cir. 2004); *Gartside*, 203 F.3d at 1316; *Para-Ordinance Mfg. v. SGS Imps. Int’l.*, 73 F.3d 1085, 1088 (Fed. Cir. 1995); *In re GPAC, Inc.*, 57 F.3d 1573, 1577 (Fed. Cir. 1995). “What the prior art teaches and whether it teaches toward or away from the claimed invention also is a determination of fact.” *Para Ordinance Mfg.*, 73 F.3d at 1088 (*citing In re Bell*, 991 F.2d 781, 784 (Fed. Cir. 1993)).

KSR warned that “a patent composed of several elements is not proved obvious merely by demonstrating that each of its elements was, independently, known in the prior art”. Instead, “[i]n determining whether the invention as a whole would have been obvious under 35 U.S.C. 103, we must first delineate the invention as a whole. In delineating the invention as a whole, we look not only to the subject matter which is literally recited in the claim in question... but also to

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those properties of the subject matter which are inherent in the subject matter and are disclosed in the specification. . . Just as we look to a chemical and its properties when we examine the obviousness of a composition of matter claim, it is this invention *as a whole*, and not some part of it, which must be obvious under 35 U.S.C. 103.” In re Antonie, 559 F.2d 618, 620, 195 USPQ 6,8 (CCPA 1977) (emphasis in original).

KSR further explained that any proposed combinations of prior art can only support a finding of obviousness if “there was an apparent reason to combine the known elements in the way” claimed. If that proposed combination involves multiple patents”, those patents must provide “interrelated teachings”. *KSR* further clarified that the “[t]he question is not whether the combination was obvious to the patentee but whether the combination was obvious to a person with ordinary skill in the art”. Thus, in determining obviousness, both *KSR* and *Graham* warned against a “temptation to read into the prior art the teachings of the invention in issue” and instructed to “guard against slipping into the use of hindsight”.

To effectively guard against hindsight, *KSR* emphasized the “import[ance]” of “identify[ing] a **reason that would have prompted** a person of ordinary skill in the relevant field to combine the elements in the **way the claimed new invention does**” (emphasis added). That is, “rejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some **articulated reasoning** with some rational underpinning to support the legal conclusion of obviousness” (quoting *In re Kahn*, 441 F. 3d 977, 988 (Fed. Cir. 2006) (emphasis added). Thus, “[t]o facilitate review, this analysis should be made explicit”.

Explaining the need for “a **reason that would have prompted** a person of ordinary skill”, *KSR* further taught that “if a **technique** has been used to **improve** one device, and a person of ordinary skill in the art **would recognize** that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill” (emphasis added). Further exploring this mandate, the Federal Circuit has held that “knowledge of a problem and motivation to solve it are entirely different from motivation to combine particular references”. *Innogenetics v. Abbott Laboratories* (Fed. Cir. 2007-1145) (8 January 2008).

Thus, according to the Supreme Court, a proper obviousness rejection must “identify a **reason that would have prompted** a person of ordinary skill in the relevant field to **combine**

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the elements **in the way the claimed new invention does**" and must present substantial evidence that one of ordinary skill *would* recognize that alleged reason for making the particular claimed combination. It follows that if the alleged reason for making the particular combination of features is not evidenced to be art-recognized, then that reason *must be* based on hindsight.

In addition to establishing a proper reason to combine, a proper obviousness rejection must clearly identify proposed reference(s) that:

1. are pertinent;
2. provide a reasonable expectation of success; and
3. teach... all the claim limitations

See MPEP 2143; MPEP 2143.03, *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991); and additional citations *infra*.

The Federal Circuit has further held that "[w]hen there is a design need or market pressure to solve a problem", obviousness is not supported unless "a finite, and in the context of the art, small or easily traversed, number of options" "would convince an ordinarily skilled artisan of obviousness". *Ortho-McNeil Pharmaceutical Inc. v. Mylan Laboratories Inc.*, 520 F.3d 1358 (Fed. Cir. 2008).

Consistent with other patentability rejections, to establish a *prima facie* case of obviousness, substantial evidence must be provided that fulfills the mandates of the applicable law. The "Patent Office has the initial duty of supplying the factual basis for its rejection." *In re Warner*, 379 F.2d 1011, 154 USPQ 173, 178 (CCPA 1967), *cert. denied*, 389 U.S. 1057, *reh'g denied*, 390 U.S. 1000 (1968). "It may not... resort to speculation, unfounded assumptions or hindsight reconstruction to supply deficiencies in its factual basis". *Id.*

Moreover, it is legal error to "substitute[] supposed *per se* rules for the particularized inquiry required by section 103. It necessarily produces erroneous results." *See, In re Ochiai*, 71 F.3d 1565, 1571, 37 USPQ2d 1127, 1132-33 (Fed. Cir. 1998); *In re Wright*, 343 F.2d 761, 769-770, 145 USPQ 182, 190 (CCPA 1965).

Only when "the examiner... carries the burden of making out a *prima facie* case of unpatentability, [does] 'the burden of coming forward with evidence or argument shift[] to the applicant.'" *In re Alton*, 76 F.3d 1168, 37 USPQ2d 1578 (Fed. Cir. 1996) (*quoting In re Oetiker*, 977 F.2d at 1445, 24 USPQ2d at 1444).

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2. Pertinent Prior Art References

The *Graham* analysis requires that, to rely on a prior art reference as a basis for a rejection, the USPTO must show that the reference is “reasonably pertinent to the particular problem with which the invention was involved.” *Ruiz v. A.B. Chance Co.*, 234 F.3d 654, 664, 57 USPQ2d 1161, 1166 (Fed. Cir. 2000); *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530, 1535, 218 USPQ 871, 876 (Fed. Cir. 1983); *In re Deminski*, 796 F.2d 436, 230 USPQ 313 (Fed. Cir. 1986); *In re Oetiker*, 977 F.2d 1443, 1447 (Fed. Cir. 1992); *In re Kahn*, 441 F.3d 977 (Fed. Cir. 2006).

“References are selected as being reasonably pertinent to the problem based on the judgment of a person having ordinary skill in the art.” *In re Kahn*, 441 F.3d 977 (Fed. Cir. 2006) (“[I]t is necessary to consider ‘the reality of the circumstances,’—in other words, common sense—in deciding in which fields a person of ordinary skill would reasonably be expected to look for a solution to the problem facing the inventor” (quoting *In re Wood*, 599 F.2d 1032, 1036 (C.C.P.A. 1979))).

“If a reference disclosure has the same purpose as the claimed invention, the reference relates to the same problem, and that fact supports use of that reference in an obviousness rejection. An inventor may well have been motivated to consider the reference when making his invention. If it is directed to a different purpose, the inventor would accordingly have had less motivation or occasion to consider it.” *In re Kahn*, 441 F.3d 977 (Fed. Cir. 2006) (citing *In re Clay*, 966 F.2d 656, 659-60 (Fed. Cir. 1992)).

Yet “[d]efining the problem in terms of its solution reveals improper hindsight in the selection of the prior art relevant to obviousness.” *In re Kahn*, 441 F.3d 977 (Fed. Cir. 2006) (quoting *Ecolchem, Inc. v. S. Cal. Edison Co.*, 227 F.3d 1361, 1372 (Fed. Cir. 2000)).

3. Selection of Portions of References

“It is impermissible within the framework of section 103 to pick and choose from any one reference only so much of it as will support a given position, to the exclusion of other parts necessary to the full appreciation of what such reference fairly suggests to one of ordinary skill in the art.” *In re Hedges*, 783 F.2d 1038, 1041 (Fed. Cir. 1986) (quoting *In re Wesslau*, 353 F.2d 238, 241 (CCPA 1965)).

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4. Maintenance of Design and Principal of Operation of Reference(s)

If the proposed modification or combination of the prior art would change the principle of operation of the prior art invention being modified, then the teachings of the references are not sufficient to render the claims *prima facie* obvious. MPEP 2143.01(VI). *In re Ratti*, 270 F.2d 810, 123 USPQ 349 (CCPA 1959).

A suggested combination of references must not require a substantial reconstruction and redesign of the elements shown in the a reference or a change in the basic principle under which a reference was designed to operate. *In re Ratti*, 270 F.2d 810, 813, 123 USPQ 349, 352 (CCPA 1959).

5. The Applied Reference(s) Must Present All Claim Limitations

"To establish a *prima facie* case of obviousness... the prior art reference (or references when combined) must teach or suggest all the claim limitations." MPEP 2143.

The proposed modification or combination must provide the structure recited in the claims and produce the result attained by that structure. *See In re Schulpen*, 390 F.2d 1009 (C.C.P.A., 1968).

6. The Applied Reference(s) Must Be Enabling

"In order to render a claimed apparatus or method obvious, the prior art must enable one skilled in the art to make and use the apparatus or method." *Rockwell Int'l Corp. v. U.S.*, 147 F.2d 1358, 47 USPQ2d 1027 (Fed. Cir. 1998); *Motorola, Inc. v. Interdigital Tech. Corp.*, 121 F.3d 1461, 1471, 43 USPQ2d 1481, 1489 (Fed. Cir. 1997); *Beckman Instruments, Inc. v. LKB Produkter AB*, 892 F.2d 1547, 1551, 13 USPQ2d 1301, 1304 (Fed. Cir. 1989); *In re Johnston*, 435 F.3d 1381 (Fed. Cir. 2006).

7. Teaching Away

Federal Circuit law indicates that references "that teach away cannot serve to create a *prima facie* case of obviousness." *See, In re Gurley*, 27 F.3d 551, 553, 31 USPQ2d 1130, 1132 (Fed. Cir. 1994). If a proposed combination would render a reference inoperable for its intended

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purpose, the reference teaches away from the proposed combination. *Tec Air, Inc. v. Denso Mfg. Mich. Inc.*, 192 F.3d 1353, 52 USPQ2d 1294 (Fed. Cir. 1994). "If references taken in combination would produce a 'seemingly inoperative device,' ... such references teach away from the combination and thus cannot serve as predicates for a *prima facie* case of obviousness". *McGinley v. Franklin Sports, Inc.*, 262 F.3d 1339, 60 USPQ2d 1001, 1010 (Fed. Cir. 2001). "A reference may be said to teach away when a person of ordinary skill, upon reading the reference, would be discouraged from following the path set out in the reference, or would be led in a direction divergent from the path that was taken by the applicant." *In re Gurley*, 27 F.3d 551, 553, 31 USPQ2d 1130, 1132 (Fed. Cir. 1994). *See also Para-Ordnance Mfg. v. SGS Importers Int'l*, 73 F.3d 1085, 1090 (Fed. Cir. 1995).

B. Analysis

a. *Prima Facie* Criteria

None of the applied portions of the references relied upon in the Office Action, whether considered alone or in combination, establishes a *prima facie* case of obviousness.

b. Murray is Not Pertinent to the Claimed Subject Matter

Each of independent claims 1, 14, and 15, from one of which each of claims 2-13 and 16-33 depends, states, *inter alia*, "approval of a proposed financial transaction". Yet Murray is directed to "transmitting a coded signal for actuating a device" (see Abstract), and more specifically, to "generat[ing] an output signal to a control device to open a garage door, vehicle door lock, etc. (see col. 9, lines 48-51).

One skilled in the art at the time of the invention would not have found "approval of a proposed financial transaction" to be in the same field of endeavor as "generat[ing] an output signal to a control device to open a garage door, vehicle door lock, etc."

Likewise, one skilled would not find "generat[ing] an output signal to a control device to open a garage door, vehicle door lock, etc." to be "reasonably pertinent to the particular problem with which the inventor was involved". Further, because they are directed at vastly different problems, one of skill in the art would consider Murray to be non-analogous art to that of the claimed subject matter. Thus, Murray is not pertinent to the claimed subject matter and is not

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available as a reference.

For at least this reason, Applicant respectfully requests withdrawal of the rejection of each of claims 1-33.

c. Christensen is Not Pertinent to the Claimed Subject Matter

Each of independent claims 1, 14, and 15, from one of which each of claims 2-13 and 16-33 depends, states, *inter alia*, "approval of a proposed financial transaction". Yet Christensen allegedly "relates to a device and system which enables entry access". (see col. 1, lines 10-11).

One skilled in the art at the time of the invention would not have found "approval of a proposed financial transaction" to be in the same field of endeavor as "a device and system which enables entry access".

Likewise, one skilled would not find "a device and system which enables entry access" to be "reasonably pertinent to the particular problem with which the inventor was involved". Further, because they are directed at vastly different problems, one of skill in the art would consider Murray to be non-analogous art to that of the claimed subject matter. Thus, Christensen is not pertinent to the present Application and is not available as a reference.

For at least this reason, Applicant respectfully requests withdrawal of the rejection of each of claims 1-33.

d. Missing Claim Limitations

Each of independent claims 1, 14, and 15, from one of which each of claims 2-13 and 16-33 depends, states, *inter alia*, yet no substantial evidence has been presented that the applied portions of the cited references teach (i.e., disclose and/or enable), alone or in combination, "receiving a signal from a vehicle-powered non-telephonic wireless transmitter fixedly attached to a vehicle, the signal comprising an encrypted unique identifier, the encrypted unique identifier not comprising a financial account number or a user-provided PIN, the signal transmitted responsive to a predetermined input from a user, the signal requesting approval of a proposed financial transaction, fulfillment of the proposed financial transaction not involving the transmitter".

Thus, even if there were proper evidence of obviousness presented in the Office Action

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(an assumption that is respectfully traversed), and even if there were a reasonable expectation of success in combining or modifying the applied portions of the references relied upon in the Office Action (another assumption that is respectfully traversed), no substantial evidence has been presented the applied portions of the references relied upon in the Office Action, **as attempted to be modified and/or combined**, expressly or inherently teach every limitation of the independent claims, and consequently the Office Action fails to establish a *prima facie* case of obviousness.

For at least this reason, Applicant respectfully requests withdrawal of the rejection of each of claims 1-33.

e. Lack of Evidence of a Reason to Combine References

Each of the rejections of each of claims 1-33 in the present Office Action fails to provide substantial evidence of obviousness as required under *KSR*.

For example, regarding the proffered combinations of the applied portions of the relied-upon references, no substantial evidence is provided regarding why one having ordinary skill in the art would combine the applied portions of the cited references in such a manner so as to arrive at the claimed subject matter. In fact, the present Office Action provides no substantial evidence of "interrelated teachings" between the cited references that would inspire one of skill in the art to consider their combination for any reason.

Moreover, the rejections of the present Office Action present no substantial evidence that the proffered combination of elements, selected by the Office from the applied portions of the relied-upon references, are "a finite, and in the context of the art, small or easily traversed, number of options" that "would convince an ordinarily skilled artisan of obviousness".

Finally, given that at least some of the references are not pertinent to the claimed subject matter, the rejections of the present Office Action provide no substantial evidence that the claimed subject matter **would have occurred in the ordinary course** without real innovation or that the combination would have been obvious to a person with ordinary skill in the art. That is, the present Office Action **fails to evidence an art-recognized reason that would have prompted** a person of ordinary skill in the relevant field to combine the elements in the way the

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claimed subject matter does. Instead, the present Office Action merely provides impermissible conclusory statements. Because the present Office Action fails to present substantial evidence that one of ordinary skill **would** recognize that alleged reason for making the particular claimed combination and does not evidence the reason to be art-recognized, the stated reason **must be** based on hindsight. Thus, the present Office Action fails to provide a rational underpinning to support the legal conclusion of obviousness. The claim rejections cannot be sustained based upon the mere conclusory statements of the present Office Action.

For at least these reasons, Applicant respectfully requests withdrawal of the rejections of each of claims 1-33.

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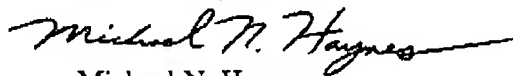
CONCLUSION

It is respectfully submitted that the application is in clear condition for allowance. Reconsideration, withdrawal of all grounds of rejection, and issuance of a Notice of Allowance are earnestly solicited.

The Office is hereby authorized to charge any additional fees or credit any overpayments under 37 C.F.R. 1.16 or 1.17 to Deposit Account 50-2504. The Examiner is invited to contact the undersigned at 434-972-9988 to discuss any matter regarding this application.

Respectfully submitted,

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